

PUBLIC DISCLOSURE

March 30, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

GREENFIELD CO-OPERATIVE BANK

CERT # 26397

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Division of Banks

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<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.</p>

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GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (“Division”) and the Federal Deposit Insurance Corporation (“FDIC”) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Greenfield Co-operative Bank (or the “Bank”)**, prepared by the Division and the FDIC, the institution's supervisory agencies as of **March 30, 2012**. The agencies evaluate performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division and FDIC rate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and in Appendix A to 12 CFR Part 345 of the FDIC's Rules and Regulations.

INSTITUTION'S CRA RATING: This institution is rated: “OUTSTANDING”

An institution in this group has an excellent record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Small Bank CRA procedures were utilized for this evaluation. The assigned rating is based on the results of five performance criteria: (1) loan-to-deposit (LTD) ratio; (2) assessment area concentration; (3) borrower profile; (4) geographic distribution; and (5) response to consumer complaints. The Bank's performance under each of these criteria is summarized below.

- Greenfield Co-operative Bank's LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority (95.4 percent) of the Bank's residential loans and small business loans are inside the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, an excellent penetration of loans to individuals of different income levels (including low- and moderate-income), and businesses of different sizes.
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area.
- The Bank has not received any CRA-related complaints.
- Upon management's request, examiners performed a review of the Bank's qualified investments and services. This review revealed that these activities further supported the Bank's overall CRA performance.

SCOPE OF EXAMINATION

This evaluation was conducted jointly by the Division and FDIC using Small Bank evaluation procedures. This evaluation includes a review of the Bank's lending activities in 2010 and 2011. A "Small Bank" is defined, as of the date of this evaluation, as an institution that had assets of less than \$290 million as of December 31st of each of the prior two calendar years. This asset threshold is adjusted annually. The data and applicable timeframes utilized for the CRA evaluation are discussed below.

Although the evaluation considers all lending since the previous evaluation, the emphasis is on residential lending (primary emphasis) and small business lending (secondary emphasis) for 2010 and 2011. These two lending categories comprise a substantial majority of the Bank's loan portfolio, and are the primary lending focus according to Bank management. As illustrated in the composition of the Bank's loan portfolio under the *Description of the Institution* section, the Bank does not originate a substantial number of consumer loans and small farm loans; therefore, consumer and small farm loans were not further analyzed. Considering that the loan portfolio distribution is heavily weighted toward residential lending, and also accounts for a majority of lending volume during the evaluation period, more weight is assigned to this loan type in arriving at overall performance conclusions.

Information concerning the Bank's home mortgage lending was derived from the loan application registers ("LARs") maintained by the Bank pursuant to the Home Mortgage Disclosure Act ("HMDA"). The LARs contain data about home purchase, home improvement, and refinancing loans for one-to-four family and multifamily (five or more units) properties. While 2010 and 2011 lending data was analyzed, the data presented in this evaluation with respect to the *Geographic Distribution* and *Borrower Profile* criteria emphasizes the Bank's 2010 lending data, as this is the most recent year for which aggregate lending data is available. Aggregate lending data reflects the performance of all other financial institutions within the designated assessment area, and is used for comparison purposes.

The Bank is not subject to CRA data reporting requirements because of its asset size; however, management has opted to collect this information in a format examiners could use for the evaluation of small business loans. As the Bank does not report small business loan data, aggregate lending data is not used for comparison purposes; rather, demographic information is used.

At management's request, the Bank's community development investment and service activities were also reviewed. The timeframe reviewed for this purpose included April 1, 2006 through March 30, 2012, the date of the current CRA evaluation.

PERFORMANCE CONTEXT

Description of Institution

Greenfield Co-operative Bank is a state chartered mutual savings institution incorporated in 1905. The Bank operates six office locations. The main office is located at 63 Federal Street in Greenfield, with a branch office located approximately one mile away, also on Federal Street. In March 2011, the Bank opened a Commercial Loan and Financial Services center directly across the street from the main office. Other branch locations include Main Street in Northfield and Amherst Road in Sunderland. The Bank opened a branch on Bridge Street in Shelburne Falls in February 2010, and continues to operate a free-standing automated teller machine (ATM) located on the Mohawk Trail in Shelburne Falls.

As of December 31, 2011, Greenfield Co-operative Bank had total assets of \$308,350,000, with total loans of \$178,948,000, or 58.0 percent of total assets. The Bank is primarily a residential lender, with 69.8 percent of its loan portfolio secured by 1-4 family residential property, and 13.6 percent secured by commercial real estate. Table 1 illustrates the composition of the loan portfolio as of December 31, 2011.

Table 1		
Loan Distribution as of December 31, 2011		
Loan Type	Dollar Amount \$(000s)	Percent of Total Loans
Construction and Land Development	3,669	2.0
Secured by Farmland	474	0.2
1-4 Family Residential	124,818	69.8
Multi-Family (5 or more) Residential	4,528	2.5
Nonfarm Nonresidential	24,244	13.6
Total Real Estate Loans	157,733	88.1
Commercial and Industrial	12,262	6.9
Agricultural	822	0.4
Consumer	955	0.5
Other	71	0.0
Obligations of States and Political Subdivisions	7,105	4.1
Total Loans	178,948	100
<i>Source: Bank's Report of Condition December 31, 2011</i>		

The FDIC assigned a CRA rating of “Outstanding” at the prior CRA evaluation of Greenfield Co-operative Bank, conducted as of November 7, 2005. There are no apparent financial or legal impediments that would limit the Bank’s ability to help meet assessment area credit needs. Based upon the Bank’s asset size, product offerings, and branch network, its ability to meet the community’s credit needs remains strong.

Description of Assessment Area

The CRA requires each financial institution to define an assessment area within which its performance will be evaluated. The Bank defines its assessment area as including the Franklin County communities of Greenfield, Northfield, Colrain, Bernardston, Leyden, Wendell, Warwick, Shelburne, Buckland, Charlemont, Heath, Hawley, Rowe, Monroe, Deerfield, Conway, Ashfield, Leverett, Sunderland, Whateley, Montague, Erving, Gill, Shutesbury, Orange, and New Salem. In addition, the Hampshire County municipalities of Amherst, Hadley, Northampton, and Hatfield are included. All communities are located in the Springfield, MA Metropolitan Statistical Area (MSA).

The assessment area contains 32 census tracts. Of those tracts, none are low-income; 4 are moderate-income; 16 are middle-income; 11 are upper-income; and 1 census tract does not have an income level designation.

Based on 2000 U.S. Census data, the total population of the assessment area is 143,429, and there are 31,095 families. There are 57,154 housing units in the assessment area, of which 32,643, or 57.1 percent, are owner-occupied. Table 2 provides additional demographic and economic information pertaining to the Bank's assessment area.

Table 2 Assessment Area Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A % of #
Geographies (Census Tracts)	32		12.5	50.0	34.4	3.1
Population by Geography	143,429		15.3	52.7	32.0	0.0
Owner-Occupied Housing by Geography	32,643		6.0	59.8	34.2	0.0
Business by Geography (2011)	14,654		11.9	54.9	33.2	0.0
Family Distribution by Income Level	31,095	16.9	17.7	23.2	42.2	0.0
Distribution of Families by Census Tract Income Level	31,095		8.9	58.7	32.4	0.0
Median Family Income		\$54,633	Median Housing Value		\$140,283	
HUD Adjusted Median Family Income for 2010		\$67,400				
HUD Adjusted Median Family Income for 2011		\$69,300				
Families Below Poverty Level		6.2%				
Source: 2000 US Census, 2010 and 2011 HUD updated Median Family Income						

While 2000 U.S. Census data shows that the median housing value in the assessment area is \$140,283, more recent data obtained from *The Warren Group* shows that median prices for all single-family homes sold in the assessment area during 2010 ranged from \$93,000 in Orange to \$324,350 in Amherst. In 2011, price changes were not consistent throughout all communities, with some experiencing increases, and others declining. The range of home prices in 2011 was \$85,000 in Orange to \$311,000 in Amherst.

Unemployment data for the assessment area was obtained from the Bureau of Labor Statistics. The unemployment rate for the Springfield, MA MSA was 9.4 percent in 2010, and decreased to 8.6 percent in 2011. In comparison, the statewide Massachusetts unemployment rate was lower

than that of the Springfield MSA, at 8.3 percent in 2010 and 7.4 percent in 2011. Furthermore, the Springfield, MA MSA unemployment rate was slightly lower than the nationwide unemployment rates of 9.6 percent and 9.0 percent in 2010 and 2011, respectively.

During the evaluation period, residential real estate prices demonstrated slight increases overall. Approximately 40 percent of communities within the assessment area experienced housing price increases during the later part of the evaluation period. Because the unemployment levels have been elevated for an extended period, sales of residential real estate have been relatively flat in several communities. Commercial real estate sales have experienced some increases, although overall economic conditions remain relatively stagnant.

The Bank operates in a competitive market area in terms of consumer financial services. The Bank competes for loans with many commercial banks, national banks, credit unions, and mortgage brokers. Among the mortgage lenders active in home mortgage lending in the Bank's assessment area are the following: Bank of America, N.A.; Greenfield Savings Bank; UMASS College Federal Credit Union; Freedom Credit Union; and Florence Savings Bank. According to market share reports for 2010, the Bank ranks fifth out of 183 lenders that originated at least one home mortgage in the assessment area. The only local institutions that exceeded the Bank in market share were Florence Savings Bank (10.5 percent) and Greenfield Savings Bank (9.2 percent). All other institutions ranked higher than the Bank were national mortgage companies and large regional or national banks.

Community Contact

A community contact was conducted at an academic institution that provides assistance to small businesses. This organization provided information regarding the credit needs and business opportunities within the local community.

This organization provides free and confidential one-on-one business advising to prospective and existing small businesses. The contact stated that area businesses have credit needs that are not being met; however, the contact also indicated that the type of credit sought may have elevated levels of risk. In lieu of conventional business financing, the contact suggested that financial institutions could create a grant or financial fund to assist small businesses in the start-up phase.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

1. Loan-to-Deposit

This performance criterion determines what percentage of the Bank's deposit base is reinvested in the form of loans. Based on the Bank's asset size, financial condition, and credit needs of the assessment area, the Bank's LTD ratio is reasonable.

Greenfield Co-operative Bank's average net LTD ratio from December 31, 2005 through December 31, 2011 is 75.1 percent. The current net LTD ratio, as of December 31, 2011, is 68.2 percent. Between December 31, 2005 and December 31, 2011, the Bank's deposit growth of 45.1 percent outpaced loan growth of 26.4 percent.

The Bank's average net LTD ratio was compared to those of similarly-situated financial institutions based on lending focus, geographic location, and asset size. As Table 3 illustrates, the LTD ratios of the other institutions ranged between 70.2 percent and 123.4 percent. Greenfield Co-operative Bank is situated toward the lower end of the range at 75.1 percent.

Table 3		
Similarly Situated LTD Comparison		
Bank Name	Asset Size \$(000s)	Average Net LTD Ratio
Lee Bank	266,207	123.4
Monson Savings Bank	157,833	93.2
Pittsfield Co-operative Bank	230,183	82.6
Williamstown Savings Bank	218,788	80.7
Greenfield Co-operative Bank	308,350	75.1
Northampton Co-operative Bank	155,134	70.2
<i>Source: Reports of Condition and Income (Call Reports) from 12/31/2005 – 12/31/2011</i>		

In addition to the loans originated for its own portfolio, the Bank also originates residential mortgages that are sold on the secondary market. From December 31, 2005 through December 31, 2011, the Bank sold 521 residential mortgages totaling approximately \$64.5 million on the secondary market. Loans sold on the secondary market are not reflected in the calculation of the LTD ratio. The Bank's secondary market channels include MassHousing Finance Agency, Sun Trust, and New England Home Loan. These channels provide the Bank with the ability to offer a wider array of credit products suitable to the needs of creditworthy homebuyers and homeowners of all income levels.

Discussions with Bank management revealed that deposit growth outpaced loan growth due to an influx of deposits from larger, national banks and depositors who liquidated stock portfolios for investment strategies. In addition, the Bank sold loans to meet its internal policies and better serve its loan customers.

2. Assessment Area Concentration

This performance criterion determines what percentage of the Bank's lending occurs within the assessment area. The review of the Bank's home mortgage and small business loans from 2010 and 2011 revealed that a substantial majority (95.4 percent) was made inside the assessment area. Table 4 summarizes the Bank's home mortgage and small business lending by number and dollar volume.

Table 4 Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollar Volume (\$000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA Loans										
2010	193	97.5	5	2.5	198	21,851	97.0	683	3.0	22,534
2011	218	94.8	12	5.2	230	19,516	96.9	631	3.1	20,147
Total	411	96.0	17	4.0	428	41,367	96.9	1,314	3.1	42,681
Small Business Loans										
2010	82	94.3	5	5.7	87	8,378	86.0	1,363	14.0	9,741
2011	73	93.6	5	6.4	78	7,544	88.7	957	11.3	8,501
Total	155	93.9	10	6.1	165	15,922	87.3	2,320	12.7	18,242
Grand Total	566	95.4	27	4.6	593	57,289	94.0	3,634	6.0	60,923
Source: 2010 and 2011 Bank HMDA LARs and 2010 small business loans										

Home Loans

The Bank consistently originated a substantial majority of its home mortgages inside its assessment area in 2010 and 2011. In 2010, Greenfield Co-operative Bank originated 97.5 percent of its home mortgages in the assessment area by number, and 97.0 percent by dollar volume. Overall home mortgage volume increased from 2010 into 2011, while the percentage inside the assessment area decreased slightly to 94.8 percent by number and was constant at 96.9 percent by dollar volume. Considering the competition for home mortgages in the assessment area, the Bank demonstrated a strong ability to meet the credit needs of its assessment area.

Small Business Loans

Table 4 also reflects that the Bank consistently originated a substantial majority of its small business loans inside the assessment area in 2010 and 2011. Overall, the Bank made 155 small business loans inside its assessment area totaling \$2.3 million, accounting for 93.9 percent by number and 87.3 percent by dollar volume of loans during this timeframe.

3. Borrower Profile

This performance criterion evaluates the distribution of the Bank's home mortgages by borrower income level, and small business loans by gross annual revenues (GARs). For residential lending, emphasis is placed on loans to low- and moderate-income borrowers, and for small business lending, emphasis is placed on loans to businesses with GARs of \$1 million or less.

The Bank demonstrated excellent penetration of loans to borrowers of different income levels and businesses of different sizes. The following sections discuss the Bank's performance by loan type.

Home Loans

Residential lending data was reviewed to assess how well the Bank is meeting the housing credit needs of the area's residents at all income levels. Emphasis is placed on the Bank's record of lending to low- and moderate-income borrowers. Table 5 reflects the distribution of residential loans, by borrower income level, in comparison to aggregate performance and demographic indicators.

Table 5 Distribution of Home Mortgage Loans by Borrower Income Level											
Loan Category	# of GCB Loans	Percent of Bank Loans					Percent of Aggregate Lending				
		Low	Moderate	Middle	Upper	NA	Low	Moderate	Middle	Upper	NA
Home Mortgages											
2010	193	9.9	17.6	34.2	34.7	3.6	4.9	18.5	26.6	47.0	3.0
2011	218	8.7	22.5	28.0	37.6	3.2	Note: 2011 aggregate lending data not available as of the evaluation date.				
Demographics	Total # of Families	Distribution of Families									
		Low	Moderate	Middle	Upper						
Families	31,095	16.9	17.7	23.2	42.2						

Source: 2010 and 2011 HMDA LARs, 2010 Aggregate HMDA data, and 2000 U.S. Census Data

As reflected in Table 5, in 2010, the Bank had a significantly higher percentage of loans to low-income borrowers, and a slightly lower percentage of loans to moderate-income borrowers, when compared to aggregate data. Greenfield Co-operative Bank's excellent performance of lending to low-income borrowers is further highlighted by its market share of lending to this income level of borrower. The Bank ranked third in this market in 2010, out of 183 total institutions that originated at least one mortgage in the assessment area that year. It should further be noted that the two institutions ranked ahead of the Bank were significantly larger institutions.

For both 2010 and 2011, the Bank's performance of lending to low-income borrowers was less than the percentage of families of this income level. However, it is not expected that an institution match or exceed this rate, especially considering the median housing values throughout the assessment area and that 6.2 percent of families have incomes below the poverty threshold (a sub-set of low-income). The Bank's level of lending to moderate-income families in 2010 was consistent with demographic data, and increased further to 22.5 percent in 2011, which exceeded the percentage of moderate-income families at 17.7 percent.

The Bank's borrower profile performance was positively impacted by its participation in several programs that are targeted toward the needs of low- and moderate-income individuals and families. Such programs include the following: various MassHousing loan products for home purchase, refinance or home improvement, including a first-time homebuyer program; the President's First-Time Home Buyer Tax Credit program through the Internal Revenue Service;

and the Federal Home Loan Bank of Boston's Equity Builder Down Payment Assistance and Affordable Housing Programs. Greenfield Co-operative Bank originated 254 loans totaling approximately \$21.7 million through these programs during the review period.

Small Business Loans

Table 6 reflects the distribution of small business loans by GAR level as compared to business demographic data.

Table 6						
Distribution of Small Business Loans by Gross Annual Revenues						
Gross Annual Revenues (000s)	% of Total Businesses 2010	GCB 2010		% of Total Businesses 2011	GCB 2011	
		#	%		#	%
<=\$1,000	75.3	59	72.0	67.3	56	76.7
>\$1,000 or NA	24.7	23	28.0	32.7	17	23.3
Total	100.0	82	100.0	100.0	73	100.0

Source: Internal Bank Records (2010 and 2011)

In 2010, the Bank made 72.0 percent of its small business loans to businesses with GARs of \$1 million or less, which was slightly less than the percentage of businesses of this GAR level in 2010. Demonstrating an increasing trend in 2011, the Bank made 76.7 percent of its small business loans to businesses with GARs of \$1 million or less. This analysis revealed the Bank's ability and willingness to lend to small businesses in its assessment area. In addition, Greenfield Co-operative Bank is a "Preferred Lender" as designated by the Small Business Administration (SBA). The Bank made 82 SBA-guaranteed loans, including those through the 7(a), America's Recovery Act, Express, and Loan Advantage programs, which contributed to this performance level during the evaluation period.

4. Geographic Distribution

This criterion evaluates the distribution of the Bank's loans within the assessment area by census tract income level, with an emphasis on lending in low- and moderate-income census tracts. The geographic distribution of home mortgages reflects an excellent distribution throughout the assessment area, particularly in moderate-income geographies. The geographic distribution of small business loans is reasonable. The following sections discuss the Bank's performance by loan type.

Home Loans

Table 7 reflects the percentage of the Bank's home mortgages by census tract income level in 2010 and 2011. The Bank's performance is compared to the percent of owner-occupied housing units located within each census tract income level and aggregate data for 2010.

Table 7 Distribution of Home Mortgage Loans by Income Level of the Census Tract									
Loan Category	# of GCB Loans	Percent of Bank Loans				Percent of Aggregate Lending			
			Moderate	Middle	Upper		Moderate	Middle	Upper
Home Mortgages									
2010	193		11.9	75.1	13.0		5.2	54.9	39.9
2011	218		13.4	73.6	13.0	2011 aggregate data is not available as of this evaluation date.			
Total	411		12.7	74.4	12.9				
Demographics	Total # of Units	Distribution of Owner-Occupied Housing Units							
			Moderate	Middle	Upper				
Owner-Occupied Housing Units	32,463		6.0	59.8	34.2				
Source: 2010 and 2011 HMDA LARs, 2010 Aggregate HMDA data, and 2000 U.S. Census Data									

In 2010, the Bank significantly exceeded aggregate performance in lending in moderate-income census tracts. The Bank's 2010 performance of lending in moderate-income geographies also exceeded the percentage of owner-occupied housing units in this income level of census tract. by significantly outperformed the aggregate lenders in moderate-income census tracts. Also in 2010, the percentage of Bank loans in moderate-income census tracts was higher then the percentage of owner-occupied housing units. It should be noted there are no low-income census tracts in the assessment area. Further highlighting the Bank's performance under this criterion is the market share ranking of fourth in the assessment area's moderate-income census tracts in 2010. Lenders with larger market share than Greenfield Co-operative Bank were much larger institutions.

In 2011, overall volume of residential lending increased, and the percentage of loans in moderate-income census tracts also demonstrated an increasing trend, to 13.9 percent from 11.9 percent.

Small Business Loans

Table 8 shows the percentage of small business loans by census tract income level, and compares the Bank's performance with the percentage of businesses by census tract income level.

Table 8 Distribution of Small Business Loans by Income Category of the Geography						
	% of Total Businesses 2010	GCB 2010		% of Total Businesses 2011	GCB 2011	
		#	%		#	%
Moderate	12.2	15	18.3	12.2	5	6.8
Middle	54.5	48	58.5	54.9	51	69.9
Upper	33.3	19	23.2	32.9	17	23.3
Total	100.0	82	100.0	100.0	73	100.0

In 2010, the Bank originated 18.3 percent of its small business loans in moderate-income census tracts, which exceeds the 12.2 percent of businesses located in this income level of census tract. The Bank's performance of lending in moderate-income geographies decreased to 6.8 percent in 2011, which was less than the business demographic indicator.

Response to CRA- Related Complaints

The Bank has not received any CRA-related complaints since the prior evaluation; therefore, no additional analysis was warranted.

REVIEW OF INVESTMENTS AND SERVICES

At the request of Bank management, examiners reviewed the Bank's performance of making qualified investments and providing community development services. In evaluating the extent to which a small bank's qualified investments and services may augment the overall rating, emphasis is placed on activities that enhance credit availability within the assessment area. All qualified Bank activities from the date of the previous CRA evaluation on November 8, 2005, through March 30, 2012, were considered. It is noted, however, that the data presented coincides with the Bank's fiscal year, which runs from April 1st through March 31st; therefore, information is presented for full fiscal years, including those ending in 2007 through 2012.

The Bank made qualified donations to several organizations that serve various community development purposes. The following sections provide an overview of the Bank's qualified investments and services during the evaluation period.

Investments

During the evaluation period, the Bank made 116 qualified donations totaling \$136,865, based on fiscal year data. The donations were extended to several organizations providing education, youth programs, affordable housing, health and human services, and which support business growth and development. While the donations did not necessarily impact credit availability in the assessment area, they reflect the Bank's willingness and ability to help meet local community development needs.

Services

The Bank's services are accessible to essentially all portions of its assessment area, including moderate-income geographies. Alternative delivery systems, such as ATMs, computer banking, and telephone banking, are available to expand the availability of banking services. The Bank's main office and new loan center are located in moderate-income census tracts, thereby enhancing credit availability in moderate-income segments of the assessment area.

In May 2011, Greenfield Co-operative Bank extended credit to an assessment area business that consisted of a \$450,000 Term Loan, a \$150,000 Line of Credit, and the purchase of a \$2,493,000 Industrial Development Bond that was issued through the Massachusetts Development Corporation. This lending package, which required additional resources and expertise on part of the Bank, enabled the business to remain in a rural section of the Bank's assessment area rather than needing to relocate.

Furthermore, the Bank helped promote credit availability throughout its assessment area by offering several financial education seminars during the evaluation period. The following list provides an example of these seminars.

- Greenfield Co-operative Bank hosted 19 first time homebuyer seminars during the evaluation period.
- The Bank's Commercial Loan Officer conducted a small business seminar for the period under review.
- The Bank's President developed a financial literacy program designed for high school students, which he presented at a local high school during the review period.
- In 2007, the Bank sponsored a Free Credit Seminar to help individuals who were experiencing credit issues.

Although not considered as part of the Small Bank CRA examination procedures, it is noteworthy that many employees of the Bank are involved in local community development services in various capacities. Trustees, management, and staff serve on the boards and committees of various community, civic, and non-profit organizations that provide services to low- and moderate-income individuals and families, and focus on affordable housing or economic development. For example, Bank representatives participate in the activities of the Economic Development Council of Western Massachusetts; Franklin County Community Development Corporation; Greenfield Housing Authority; Pioneer Valley Habitat for Humanity; Pioneer Valley Planning Commission; and United Way/Woman's Way.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Bank's compliance with the laws relating to discrimination and other illegal credit practices were reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act.

APPENDIX A

Fair Lending Policies and Procedures

The Bank's fair lending data was reviewed to determine how this information relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy.

Greenfield Co-operative Bank has an established Fair Lending Policy that was approved by the Board of Directors in December 2011. The Fair Lending policy addresses employee training, including the Equal Credit Opportunity Act (Regulation B), and the Fair Housing Act. In addition, the Bank maintains a Strategic Plan that includes a formal training program, self monitoring and testing, improving the effectiveness of marketing to all residents of their community, and improving the Bank's approachability.

The Bank's marketing is done through local billboards, local radio, two local daily newspapers (Greenfield and Northampton) and their website, two surrounding towns' weekly newspapers (Turners Falls and Shelburne Falls), as well as statement stuffers that reach the entire assessment area.

The Bank continues to maintain a second review program that requires denied loan applications be presented to a second review committee for review prior to notifying the applicant. The committee consists of the President, the Underwriter, and a Senior Vice President. The results of all reviews are compiled and presented in a monthly report to the Security Committee and Board of Directors.

There are currently 61 employees (52 full-time and 9 part-time) at the Bank, 2 of the 61 employees are bi-lingual and 1 employee has the ability to sign to provide assistance to hearing impaired customers. The bi-lingual employees are available to assist non-English speaking customers and potential customers. Second languages spoken include Polish and Turkish.

A thorough review of the public comment file revealed that the Bank received no complaints pertaining to the institution's CRA performance since the previous examination.

Minority Application Flow

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the Bank received from minority applicants. In 2010 and 2011, the Bank received 456 residential loan applications from within its assessment area. During this period, 10 applications or 2.2 percent were received from minorities of which 9 were approved. Eight applications or 1.8 percent were received from individuals of Hispanic or Latino ethnic backgrounds and all were approved.

MINORITY APPLICATION FLOW								
RACE	BANK 2010		AGGREGATE DATA 2010		BANK 2011		BANK TOTAL	
	#	%	#	%	#	%	#	%
Native American	0	0.0	13	0.2	0	0.0	0	0.0
Asian	0	0.0	121	2.0	3	1.3	3	0.7
Black	0	0.0	55	0.9	1	0.4	1	0.2
Hawaiian/Pacific Islander	0	0.0	4	0.1	1	0.4	1	0.2
2 or More Minority Races	0	0.0	0	0.0	0	0.0	0	0.0
Joint Race (White/Minority)	3	1.4	86	1.5	2	0.9	5	1.1
Total Minority	3	1.4	279	4.7	7	3.0	10	2.2
White	213	96.3	4,655	78.3	226	96.1	439	96.3
Race Not Available	5	2.3	1,015	17.0	2	0.9	7	1.5
Total	221	100.0	5,949	100.0	235	100.0	456	100.0
ETHNICITY								
Hispanic or Latino	2	1.0	66	1.1	1	0.4	3	0.7
Not Hispanic or Latino	211	95.5	4,769	80.2	229	97.4	440	96.5
Joint Hispanic/Not Hispanic	2	1.0	58	1.0	3	1.3	5	1.1
Ethnicity Not Available	6	2.5	1,056	17.7	2	0.9	8	1.7
Total	221	100.0	5,949	100.0	235	100.0	456	100.0
<i>Source: 2010, 2011 HMDA Data</i>								

Bank's minority application flow for this period was compared with the racial and ethnic composition of the assessment area and the 2009 aggregate data for all other HMDA reporters within the assessment area. The comparison of the data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants.

According to the 2000 Census Data, the Bank's assessment area contained a total population of 143,429 individuals, 11.2 percent of which were of various racial and ethnic minorities.

The comparison between the 2010 aggregate data and the Bank data shows that total applications received from racial and ethnic minority applicants were below the aggregate performance for racial minority applicants but on par with the performance of the aggregate for ethnic minorities. A positive trend for receipt of applications for racial minorities is noted in the 2011 data.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 63 Federal Street, Greenfield, MA 01302."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.